



Request for City Council Committee Action from the Department of Intergovernmental Relations

Date: January 6, 2015

To: Council Vice President Elizabeth Glidden and Council Member Alondra Cano

Referral to: Intergovernmental Relations Committee

Subject: Presentation regarding Alternative Property Tax Valuation Process

Recommendation: Receive and File

Department Information

Prepared by: Gene Ranieri – IGR; Richard Nymoen - Common Ground USA

Approved by Gene Ranieri, Director, IGR: _____

Presenters in Committee: Richard Nymoen and Tim Farrell of Common Ground USA

Supporting Information.

Legislatures throughout the country have attempted to reform the property tax. Reforms include but are not limited to caps on increased market value, different assessment value by property uses, property value exclusions, state paid aids and a land value tax. The last mentioned tax has been used in a few cities in the United States and other countries. A land value tax essentially places a higher taxable value on the land than the improvements. The land value tax has been the subject of research in Minnesota and is advocated by a citizens group – the Twin Cities Chapter of Common Ground USA. Minnesota currently does not authorize a land value tax.

The article (link below) published by the International City Managers Association (ICMA) summarizes the experience of the land value tax in several cities in Pennsylvania and Michigan. The article also outlines a process for implementing the tax as well as the obstacles that could be encountered in proposing the process.

<http://webapps.icma.org/pm/9202/public/cover.cfm?author=walter%20rybeck&title=retooling%20property%20taxes>

The power point presentation reviews legislation in other states and presents several examples of the application of the land value tax in Minneapolis and St. Paul.